CITY OF LODI
COUNCIL COMMUNICATION
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AGENDA TITLE: Adopt Resolution Establishing Policy for the Ranking of Community Development Block Grant Applications

MEETING DATE: February 20, 2008

PREPARED BY: Community Development Department

RECOMMENDED ACTION: Adopt Resolution Establishing Policy for the Ranking of Community Development Block Grant Applications

BACKGROUND INFORMATION: On February 12, 2008, Community Development Department staff presented to the City Council a proposed scoring matrix for the ranking of CDBG applications from community-based organizations.

From the Council's comments at that meeting, Staff is bringing back new ranking options for review and action from the City Council. Staff is proposing that the Council choose from the following two options for evaluating potential projects:

Option **A:** Score all projects, but emphasize capital projects.

Staff will use the ranking criteria presented on February 12, but will award bonus points to "bricks and mortar" projects. **All** applications received will be scored using the ranking criteria, but presented to Council in categories (e.g., those scoring in the top twenty percent). Staff will make clear to all applicants in the 2009-10 funding round that public service or operations funding requests will not be considered.

Option **B:** Score only those projects that meet threshold requirements.

The threshold will require considered projects to be capital projects, eligible for CDBG funding, and realistically allow for all funds to be spent within two years of the award date. Staff will assess likely expenditure of funds based on whether the project design is completed, other funds are committed, and the construction schedule accounts for adequate time for permitting and weather delays. This will ensure that the City continues to meet its timely expenditure of funds requirement to continue receiving CDBG funding.

FISCAL IMPACT: N/A

FUNDING AVAILABLE: N/A

Randy Hatch
Community Development Director

APPROVED: _____
Blair King, City Manager

RESOLUTION NO. 2008-_____

DRAFT

A RESOLUTION OF THE LODI CITY COUNCIL ESTABLISHING POLICY FOR THE RANKING OF COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATIONS

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WHEREAS, on February 12, 2008, Community Development Department staff presented to the City Council a proposed scoring matrix for the ranking of Community Development Block Grant (CDBG) applications from community-based organizations; and

WHEREAS, based on Council comments, staff proposed two ranking options for Council review at its meeting of February 20, 2008: Option A (score all projects, but emphasize capital projects) and Option B (score only those projects that meet threshold requirements).

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that it does hereby establish the policy for ranking CDBG applications (Option____), as shown below:

Option A: Score all projects, but emphasize capital Droiects
Staff will use the ranking criteria Dresented on February 12, but will award bonus points to "bricks and mortar" projects. All applications received will be scored using the ranking criteria, but presented to Council in categories (e.g. those scoring in the top 20%). Staff will make clear to all applicants in the 2009-10 funding round that public service or operations funding requests will not be considered.

~ OR ~

Option B: Score only those Droiects that meet threshold reauirements
The threshold will require considered projects to be capital projects, eligible for CDBG funding, and realistically allow for all funds to be spent within two years of the award date. Staff will assess likely expenditure of funds based on whether the project design is completed, other funds are committed, and the construction schedule accounts for adequate time for permitting and weather delays. This will ensure that the City continues to meet its timely expenditure of funds requirement to continue receiving CDBG funding.

Date: February 20, 2008

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I hereby certify that Resolution No. 2008-___ was passed and adopted by the Lodi City Council in a regular meeting held February 20, 2008, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

RANDI JOHL
City Clerk

2008-_____

Policy for Ranking of CDBG Applications

Presented By

Community Development Department
February 20, 2008

CBO Application Ranking System

- ## On February 12, 2008 - Shirtsleeve Session
  - ### Staff proposed to implement a scoring/ranking system for the review of CDBG applications from Community-based Organizations.
    - Provide a standard of measurement for all CBO funding applications.
    - 100 Points available for each application.
    - 9 Categories for grading.
      - Each category has a list of questions and assigned point values for each.

Scoring Categories

Activity Management & Implementation	20 points
Readiness to Proceed	17 points
Cost Reasonableness/Effectiveness	16 points
Matching Contributions / Leverage	15 points
Past CDBG Performance	10 points
Need and Justification	9 points
Organizational Experience/Project Delivery	8 points
Meets National Objectives	3 points
Application Completeness	2 points

CBO Application Ranking System

- Council's comments and concerns from that February 12th Shirtsleeve presentation:
  - Public Service funding requests could outscore "Bricks & Mortar" projects.
    - Leading to an influx of Public Service funding requests.

- In response to Council's comments and concerns:
  - Staff is providing two formal policy options pertaining to the evaluation of CBO funding requests.

Option A

- ## Score All Projects – Emphasize Capital Projects
  - Staff will use the ranking criteria presented on February 12, but will award "Bonus Points" to "Bricks and Mortar" projects.
  - All applications received will be scored using the ranking criteria.
  - Funding requests will be presented in groups.
    - Group A – Top 20%   (Scoring 80-100 points)
    - Group B – Next 20%   (Scoring 60-79 points)
  - Applicants for funding in 2009-2010 will be advised that Public Service requests or Operations funding requests will not be considered.

Option A - Example

- **Group A**
  - Existing Facility Improvement Project – Score 96
  - Existing Public Service Expansion –   Score 89
  - New Facility Construction Project –   Score 87
  - New Public Service request –   Score 83
- **Group B**
  - New Facility Construction Project –   Score 79
  - New Public Service request –   Score 74
  - Existing Facility Improvement Project – Score 70

Option B

- Score Only Those Projects That Meet Threshold Requirements
  - New Threshold
    - Eligible, Capital Improvement Projects Only.
    - Project allocation must be expended within 2 years.
  - Staff will assess project readiness based upon:
    - Whether project design is complete.
    - Other funding is committed.
    - Reasonable/Practical construction schedule.

Other Issues To Consider

- If there is not a sufficient number of Public Improvement Project funding requests, could eligible Public Service requests receive consideration?

- If the 40% set-aside for Community-based Organizations is not taken up, those funds would be made available for City Projects/Services.
  - All available funding has to be allocated.
  - You cannot bank those funds for the following year.

Council Action

- **Option A**
    - Score All Projects – Emphasize Capital Projects
    - Advise applicants for 2009/10 that Public Service funding requests will not be considered.

- **Option B**
    - Score Only Those Projects That Meet Threshold Requirements
        - Eligible, Capital Improvement Projects Only.
        - Project allocation must be expended within 2 years.